



Town of Hilton Head Island
Planning Commission LMO Committee
Special Meeting

August 11, 2020 at 9:00 a.m. Virtual Meeting

MEETING MINUTES

Present from the Committee: Chair Leslie McGowan, Vice Chairman Todd Theodore, Michael Scanlon

Absent from the Committee: None

Present from the Planning Commission: Alan Perry, Stephen Alfred

Present from Town Council: Tamara Becker

Present from Town Staff: Jayme Lopko, Senior Planner; Teri Lewis, Deputy Director of Community Development; Rene Phillips, Website Administrator; Jennifer Ray, Deputy Director of Community Development; Stephen Ryan, Staff Attorney; Eileen Wilson, Senior Administrative Assistant

1. Call to Order

Chair McGowan called the meeting to order at 9:00 a.m.

2. FOIA Compliance – Public notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the Town of Hilton Head Island requirements.

3. Roll Call – See as noted above.

4. Approval of Agenda

Chair McGowan asked for a motion to approve the agenda. Commissioner Scanlon moved to approve. Vice Chairman Theodore seconded. By way of roll call, the motion passed with a vote of 3-0-0.

5. Approval of Minutes

a. Meeting of February 19, 2020

Chair McGowan asked for a motion to approve the minutes of the February 19, 2020 meeting. Vice Chairman Theodore moved to approve. Commissioner Scanlon seconded. By way of roll call, the motion passed with a vote of 3-0-0.

6. Citizen Comments

Public comments concerning agenda items were to be submitted electronically via the Town's Open Town Hall portal. The portal closed at noon yesterday and all comments were provided to the Committee. Citizens were provided the option to sign up for public comment participation by phone during the meeting. The public comment period closed at noon yesterday. There were no requests to participate by phone.

7. Unfinished Business

a. Review of proposed Workforce Housing LMO Amendments

Chair McGowan asked staff to give some background and an update on the amendments that are before the Committee today. Ms. Lopko stated workforce availability with a focus on workforce housing and transportation was identified as a key priority for Town Council. Staff worked with Town Council and Public Planning Committee to develop a workforce housing policy (included in the packet).

Staff worked with the Committee to develop criteria to identify areas of the island to target for the workforce housing initiatives. The following areas were identified as priority areas: Palmetto Bay/Arrow Road/Pope Avenue area, Squire Pope/Gum Tree Road area, and Opportunity Zone/Main Street area.

Today is to address questions the LMO Committee had and any changes made to the document since the Committee's last meeting in February. Ms. Lopko stated she will go over public comments she received since February and since mailing out the letters to the property owners.

Staff will no longer create an Overlay District but instead add WFH as a new conditional use in certain zoning districts. Priority areas of the island were identified due to proximity to transportation and employment. There is approximately 1,800 acres of property where WFH would be permitted with conditions.

Response to Committee questions:

*Concern that the 99 year affordable term for rental units was too long so it was shortened to 30 years for both rental and owner occupied units.

*More information was requested on what penalties there be for noncompliance with the provisions in the LMO. Any action that is noncompliant is subject to the Code Enforcement provisions listed in Chapter 8 of the LMO. There will be restrictive covenants applied to the property that will give the Town injunctive relief should the provisions of the program not be followed.

*The Committee asked if properties in the WFH program would continue in the program after a bankruptcy or foreclosure. In the event of a bankruptcy or foreclosure, the affordability term would not survive.

*The Committee inquired if fees related to a homeowner's association could be waived or discounted for WFH units to keep the cost of the unit lower. Homeowner's Association dues will be limited to 75% of what is charged to market-rate units.

Other smaller changes made to the amendments:

*Added maximum residential in the MED and CC Districts.

*Flexibility in parking for all WFH related uses was added and a footnote referring to parking was added to the zoning district sections.

*Throughout the WFH Program staff used the term 'for-sale' unit. This have been changed to use the term 'owner-occupied' unit.

*Occupation of rental units has been changed from not being allowed for short term to not being allowed for a period of less than 90 days.

*Under the employment regulations, the language was clarified to say an eligible household must have at least one person employed at a business within the Town of Hilton Head Island.

*There were several places that referred to an annual renewal or lease requirement. These references have been removed.

*The definitions of household and household income were modified to be clearer.

Public input:

- Town communication efforts
 - A recent article in the Island Packet, The Town's website section on WFH has been updated, Approximately 4,300 letters were mailed out to every property identified in purple on the Location map, each letter included a copy of the map and a frequently asked questions document, a letter was sent to anyone within 350 ft of one of those purple parcels.
- Staff received the following questions and concerns:
 - What properties are included and why?
 - How does this impact my property?
 - What are the incentives, any financial?
 - What project is planned?
 - Is my property required to become WFH?
 - Why are commercial properties included?
 - Is this for low-income or Section 8 housing?
 - Is my property being rezoned?

Ms. Lopko stated she thoroughly answered every call and question listed above from citizens.

Committee discussion raised concerns that Ms. Lopko addressed below:

Ms. Lopko reported that much research was performed checking with other municipalities and communities similar to Hilton Head to learn how their programs were working. Researched past housing program implemented by the Town at what didn't work to learn from our own experience. Also looked into how this will be managed over time.

The hope is that an outside organization would come in to assist us in managing the program. The Town is still working with SoLoCo on regional efforts. At this time it will remain a Town function until we determine an outside organization that could take this on for us.

Using Town-owned property for WFH is something the Town is considering. Most Town-owned property is zoned for parks and recreation.

Vice Chairman Theodore asked why Indigo Business Park is not included. Ms. Lopko responded they tried to stay in the priority areas and avoid spot zoning. Ms. Lopko stated she would look into it prior to the upcoming Planning Commission meeting and suggested this Committee could include that as a consideration in the motion.

Chair McGowan suggested the purpose statement in the amendments should be updated for zoning districts where WFH will be permitted, include a reference to residential or WFH use in the district.

Commissioner Scanlon moved to forward the proposed Workforce Housing LMO Amendments to the Planning Commission with the following changes:

- Consider permitting WFH on properties between William Hilton Parkway and Pembroke Drive as well as properties along Gardner Drive and Leg O'Mutton Road.
- Consider updating the purpose statement, for zoning districts where WFH will be permitted, to include a reference to residential or WFH use in the district.

Vice Chairman Theodore seconded. By way of roll call, the motion passed with a vote of 3-0-0.

8. New Business - none

9. Adjournment

There being no further business, the meeting was adjourned at 9:36 a.m.

Submitted by Eileen Wilson

Approved: September 16, 2020